

Resolution 2024
POVERTY EXEMPTION ELIGIBILITY REQUIREMENTS OF
CHERRY GROVE TOWNSHIP, WEXFORD COUNTY

WHEREAS, the adoption of guidelines for poverty exemptions is required of the Township Board; and

WHEREAS, the principal residence of persons, who the Supervisor/Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS, PURSUANT TO pa 390 OF 1994, The Cherry Grove Township, Wexford County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all the following on an annual basis:

1. Be an owner of and occupy as a homestead the property for which an exemption is requested.
2. File a claim with the supervisor or board of review, accompanied by federal and state income tax returns for all persons residing in homestead, including any property tax credit returns filed in the immediately preceding year or in the current year.
3. Produce a valid drivers' license or other form of identification if requested.
4. If requested, produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
5. Meet the federal poverty income standards as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
6. The application for an exemption shall be filed after January 1, but before the day prior to the last day of the Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax tribunal
7. File a claim reporting that the combined assets of all persons do not exceed the current guidelines. Assets include but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
8. The guidelines apply to individuals and not to corporations, partnerships, associations or trusts. In the event that a partnership, association, or co-owners apply, the guidelines apply to the total assets of all individuals involved. In the event that a trustee, guardian, personal representative or other administrator applies, the guidelines apply to the total assets of the beneficiaries, in or out of the trust or estate, no matter how held. The purpose of this rule is to have the guidelines apply to the assets of all individuals involved.
9. The guidelines apply to both an owner of a life estate and all remainder interests together.

10. A number of factors will be weighed in order to determine whether an applicant qualifies for an exemption. Factors analyzed will include the following:
 - A. Income levels;
 - B. Total value of liquid assets;
 - C. Total non-homestead real property;
 - D. Total acreage owned;
 - E. Non-essential personal property;
 - F. Total value of all assets;
 - G. Gifts made within 10 years;
 - H. Employability;
 - I. Retirement account, value I.R.A., 401K, etc.
 - J. Other factors suggesting an individual's worth, including but not limited to life insurance, businesses, lawsuits, judgments due, etc.
 11. Total liquid assets must not exceed the value of \$10,900.00. Assets beneath \$10,900.00 shall be considered together with other factors in order to determine eligibility. Liquid assets shall be considered cash, unrestricted deposits and accounts, securities, bonds, promissory notes, stocks and other similar type of assets.
 12. Total non-homestead and non-qualified agricultural real property shall not exceed the value of \$10,900.00.
 13. The non-essential personal property shall not exceed \$5,000.00. Non-essential personal property includes but is not limited to horses, snowmobiles, boats, motorcycles, jet skis, all terrain vehicles. The purpose of this factor is to exclude from poverty consideration those individuals who have purchased recreational, hobby, or sporting property which is not related to essential needs.
 14. Total net assets must not exceed \$50,000.00. Total net assets below \$50,000.00 shall be considered together with other factors in order to determine eligibility.
 15. The guidelines include employability of the individual applicants as well as other adults living in the residence. Factors here include but are not limited to attempts to find employment, physical, mental and experiential abilities, voluntary loss of employment or employment opportunities, etc.
 16. The guidelines shall include an analysis of all gifts given by the applicants within ten (10) years. An applicant cannot divest him or herself of assets and then claim poverty. No fixed amount is set as a factor as each applicant must be handled on a case by case basis.
 17. It is possible for an applicant to qualify under each separate factor but not qualify when all factors are considered together. The following are examples of how a combination of factors may disqualify a person:
 - A. An applicant has a total asset value of \$40,000.00 but gave away \$20,000.00 within the ten years.
 - B. An applicant qualifies under income or asset factors but recently spent \$10,900.00 for a life insurance policy with his or her children as beneficiaries.
 - C. The applicant qualified under the asset or income levels but voluntarily quit from a well-paying job.
- In addition to weighing the individual factors, the Board of Review and Supervisor shall evaluate all of the factors together in order to determine if the applicant is in a poverty condition.
18. Any tax exemption given to an individual under these guidelines shall be for the one (1) year's taxes and a new application will be required for the next year.

The following are the 2021 federal poverty guidelines which are updated annually by the United States Department of Health and Humans Services. The annual allowable income includes income for all persons residing in the principal residence.

FEDERAL POVERTY GUIDELINES USED IN THE DETERMINATION OF POVERTY EXEMPTION

<u>Size of Family</u>	<u>2024 Poverty Guidelines</u>
1	\$15,060
2	\$20,440
3	\$25,820
4	\$31,200
5	\$36,580
6	\$41,960
7	\$47,340
8	\$52,720

For each additional person add \$5,380

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Supervisor/Assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption, unless the Board of Review determines that there are substantial and compelling reasons why there should be a deviation from the policy and federal guidelines and these are communicated in writing to the claimant.

Made and passed by the Cherry Grove Township Board on the 13th day of December, 2023.

Maria Lynn Nixon, Clerk

Ben Pearson, Supervisor

STATE OF MICHIGAN)
) ss.
COUNTY OF WEXFORD)

We the undersigned, the duly qualified and acting Township Clerk of the Township of Cherry Grove do hereby certify that the foregoing is a true and complete copy of the proceedings adopted at a meeting of the township board held on the 13th day of December, 2023, the original of which proceedings is on file in my office.

IN WITNESS WHEREOF, I have hereto affixed my signature this ___th day of December, 2024.

Maria Lynn Nixon, Clerk